



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1201 ELM STREET, SUITE 500
DALLAS, TEXAS 75270

January 24, 2022

SENT BY ELECTRONIC MAIL

Michael.McCarble@us.sasol.com

Michael McCarble
Sasol Chemicals USA, LLC
Senior Manager of Process Safety
2201 Old Spanish Trail
Westlake, Louisiana 70669

Re: Notice of Potential Violation and Opportunity to Confer
Clean Air Act Prevention of Accidental Releases Provisions
Sasol Chemicals USA, LLC

Dear Mr. McCarble:

The manufacturing, use, and storage of regulated substances and other extremely hazardous substances at facilities poses a significant risk of harm to human health and the environment from accidental releases of those substances. These accidents can result in fatalities and serious injuries, evacuations, and environmental harm. The United States Environmental Protection Agency (EPA) regulates facilities with regulated or other extremely hazardous substances through the Prevention of Accidental Releases provisions of the Clean Air Act (CAA) found in Section 112(r), 42 U.S.C. § 7412(r), and the Chemical Accident Prevention regulations at 40 C.F.R. Part 68 (commonly known as the Risk Management Plan Rule) to ensure the safety of the facility and to protect surrounding communities.

From January 26, 2021, to July 19, 2021, the EPA Region 6 conducted a virtual partial compliance evaluation of the Sasol Chemical USA, LLC (Sasol) facility located in Westlake, Louisiana. The purpose of the compliance evaluation was to determine Sasol's compliance with the requirements of the CAA, and specifically the Chemical Accident Prevention Provisions. Sasol subsequently provided the EPA with additional information and participated in additional discussions regarding the compliance evaluation with the EPA. The information currently available to the EPA, collected as a result of the compliance evaluation, suggests that Sasol may be in violation of the CAA. By this letter, the EPA is extending Sasol the opportunity to advise the Agency, via a conference call, or in writing, of any further information the EPA should consider with respect to the following potential violations of the CAA and Risk Management Plan Rule:

- Process Hazard Analysis – Failure to assure that the recommendations were resolved in a timely manner and failure to complete the actions as soon as possible, as required by 40 C.F.R. § 68.67(e). Sasol failed to assure that nineteen (19) recommendations of the 2016 Process Hazard Analysis (PHA) were resolved in a timely manner and failed to complete the actions as soon as possible. The nineteen recommendations from the 2016 PHA were not completed at the time of the inspection as of February 2021. Sasol failed to assure that the recommendations were

resolved in a timely manner and failed to complete the actions as soon as possible in violation of 40 C.F.R. § 68.67(e).

- Mechanical Integrity – Failure to implement written procedures to maintain the on-going integrity of process equipment, as required by 40 C.F.R. § 68.73(b). Sasol failed to implement the inspection schedule required of its written procedures to maintain the on-going integrity of process equipment in a violation of 40 C.F.R. § 68.73(b).
- Mechanical Integrity – Failure to perform inspections and tests on process equipment, as required by 40 C.F.R. § 68.73(d)(1). Sasol failed to perform external visual inspections and thickness examinations on process equipment in violation of 40 C.F.R. § 68.73(d)(1).
- Mechanical Integrity – Failure to implement inspection and testing procedures that follow recognized and generally accepted good engineering practices, as required by 40 C.F.R. § 68.73(d)(2). Sasol failed to perform and complete external piping inspections on Class 1 and Class 2 piping in the Alcohol and Ethylene Oxide (ETO) units as required by American Petroleum Institute (API) 570, failed to complete all corrosion under insulation and Soil-Interface inspections for pressure vessels in the Alcohol Unit in accordance with API 510, and failed to perform internal inspections of pressure vessels, in accordance with API 510. Sasol failed to implement inspection and testing procedures that follow recognized and generally accepted good engineering practices in violation of 40 C.F.R. § 68.73(d)(2).
- Mechanical Integrity – Failure to conduct the frequency of inspections and tests of process equipment consistent with applicable manufacturers’ recommendations and good engineering practices, and more frequently if determined to be necessary by prior operating experience, as required by 40 C.F.R. §68.73(d)(3). Sasol failed to conduct the frequency of inspections and test of process equipment consistent with applicable manufacturers’ recommendations and good engineering practices in violation of 40 C.F.R. §68.73(d)(3).
- Mechanical Integrity – Failure to correct deficiencies in equipment that are outside acceptable limits (defined by the process safety information in §68.65) before further use or in a safe and timely manner when necessary means are taken to assure safe operation, as required by 40 C.F.R. § 68.73(e). Sasol failed to correct deficiencies in the piping circuit equipment and the leaking flange located on the condensate line in the ETO Unit before further use or in a safe and timely manner when necessary means are taken to assure safe operation in violation of 40 C.F.R. § 68.73(e).
- Management of Change – Failure to implement written procedures to manage changes (except for “replacements in kind”) to process chemicals, technology, equipment, and procedures; and changes to stationary sources that affect a covered process, as required by 40 C.F.R. §§ 68.75(a) & (b). Sasol failed to implement written procedures to manage changes to process equipment in that a management of change was not performed for the installation of a pipe clamp, that assured that the following considerations were addressed: the technical basis for the proposed change; the impact of change on safety and health; modifications to operating procedures; and the necessary time period for the change. Sasol failed to implement written procedures to manage changes to process chemicals, technology, equipment, and procedures; and changes to stationary sources that affect a covered process in violation of 40 C.F.R. §§ 68.75(a) & (b).
- Compliance Audits – Failure to promptly determine and document an appropriate response to each of the findings of the compliance audit, and document that the deficiencies have been

corrected, as required by 40 C.F.R. § 68.79(d). Sasol failed to promptly determine an appropriate response for item numbers 35 and 38 for the 2016 Compliance Audit and failed to document that the deficiencies had been corrected for the 2019 compliance audit findings in violation of 40 C.F.R. § 68.79(d).

- Incident Investigations – Failure to establish an incident team that consisted of at least one person knowledgeable in the process involved, including a contract employee if the incident involved work of the contractor, and other persons with appropriate knowledge and experience to thoroughly investigate and analyze the incident, as required by 40 C.F.R. § 68.81(c). Sasol failed to establish an incident investigation team, that consisted of at least one person knowledgeable in the process involved for the incident investigations that took place on July 27, 2019, December 20, 2019, December 26, 2019, December 27, 2019, and February 2, 2020. Sasol failed to establish an incident team that consisted of at least one person knowledgeable in the process involved, including a contract employee if the incident involved work of the contractor, and other persons with appropriate knowledge and experience to thoroughly investigate and analyze the incident in violation of 40 C.F.R. § 68.81(c).
- Incident Investigations – Failure to prepare an incident investigation report that included the factors that contributed to the incident, as required by 40 C.F.R. § 68.81(d)(4). Sasol failed to prepare an incident investigation report that included the factors that contributed to the incident, for the incident investigation report completed on December 20, 2019. Sasol failed to prepare an incident investigation report that included the factors that contributed to the incident in violation of 40 C.F.R. § 68.81(d)(4).
- Incident Investigation – Failure to prepare an incident investigation report that included any recommendations resulting from the investigation, as required by 40 C.F.R. § 68.81(d)(5). Sasol failed to prepare an incident investigation report that included any recommendations resulting from the investigation, for the incident investigation reports completed on July 27, 2019, December 20, 2019, December 26, 2019, December 27, 2019, and February 2, 2020. Sasol failed to prepare an incident investigation report that included any recommendations resulting from the investigations in violation of 40 C.F.R. § 68.81(d)(5).
- Incident Investigation – Failure to review the incident investigation report with all affected personnel whose job tasks are relevant to the incident findings including contract employees where applicable, as required by 40 C.F.R. § 68.81(f). Sasol failed to review the incident investigation reports with all affected personnel whose job tasks were relevant to the incident findings, for the incident investigation reports completed on July 27, 2019, December 26, 2019, December 27, 2019, and February 2, 2020. Sasol failed to review the incident investigation reports with all affected personnel whose job tasks were relevant to the incident findings including contract employees where applicable in violation of 40 C.F.R. § 68.81(f).
- Mechanical Integrity – Failure to assure in the construction of new equipment, that the equipment as it is fabricated is suitable for the process application for which they will be used, as required by 40 C.F.R. § 68.73(f)(1). Sasol failed to assure in the construction of the bolts designed for the vent piping on the ETO unit vessel, that the bolts were suitable for the process application for which they were used for, as the bolts were under designed and were not suitable for the high pressure of the vent piping. Sasol failed to assure in the construction of new equipment, that the equipment as it was fabricated was suitable for the process application for which it was used in violation of 40 C.F.R. § 68.73(f)(1).

- Mechanical Integrity – Failure to perform appropriate checks and inspections to assure that equipment is installed properly and consistent with design specifications and the manufacturer’s instructions, as required by 40 C.F.R. § 68.73(f)(2). Sasol failed to perform the appropriate checks and inspections to assure that the process equipment valve was consistent with design specifications and the manufacturer’s instructions, which resulted in a valve bonnet leak. Sasol failed to perform appropriate checks and inspections to assure that the equipment was installed properly and consistent with design specifications and the manufacturer’s instructions, in violation of 40 C.F.R. § 68.73(f)(2).
- Operating Procedures – Failure to implement written operating procedures that provide clear instructions for safely conducting activities involved in each covered process consistent with the process safety information, as required by 40 C.F.R. § 68.69(a). Sasol failed to implement written operating procedures that provided clear instructions for safely conducting activities involved in each covered process consistent with the process safety information for the nitrogen purging process in violation of 40 C.F.R. § 68.69(a).

If Sasol is interested in participating in an opportunity to confer with the Agency with respect to the above listed potential violations, then please contact Lawrence Pittman, with the Office of Regional Counsel, within **14 calendar days** of receipt of this letter at pittman.lawrence@epa.gov.

Addressing noncompliance with environmental laws is important in carrying out the EPA’s mission to protect human health and the environment. At the same time, the EPA acknowledges that the COVID-pandemic may impact your business. If that is the case, please contact us regarding any specific issues you need to discuss.

Thank you for your attention to this matter. If you have any questions, please contact Lawrence Pittman, at pittman.lawrence@epa.gov or (214) 665-8381, or Justin McDowell of my staff, at mcdowell.justin@epa.gov or (214) 665-6557.

Sincerely,

STEVEN
THOMPSON

Digitally signed by STEVEN THOMPSON
DN: c=US, o=U.S. Government,
ou=Environmental Protection Agency,
cn=STEVEN THOMPSON,
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Steve Thompson
Chief
Air Enforcement Branch

Enclosure/Attachment: Additional Sources of Information

ADDITIONAL SOURCES OF INFORMATION

- Information on the Risk Management Plan (RMP) Rule
<https://www.epa.gov/RMP>
- Information on General Duty Clause under Clean Air Act Section 112(r)(1)
<https://www.epa.gov/rmp/general-duty-clause-under-clean-air-act-section-112r1>
- Consolidated Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7) and 40 C.F.R. Part 68
<https://www.epa.gov/sites/production/files/documents/112rcep062012.pdf>
- Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, 40 C.F.R. Part 22
https://www.epa.gov/sites/production/files/2013-10/documents/final-crop-fr_1.pdf
- Small Business Fact Sheet
www.epa.gov/compliance/small-business-resources-information-sheet